United Nations DP/2008/5

Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund

Distr.: General
7 January 2008

Original: English

First regular session 2008
21 to 28 January 2008, New York
Item 2 of the provisional agenda
Financial, budgetary and administrative matters

UNDP and UNIFEM estimates for the biennial support budget, 2008-2009

Report of the Advisory Committee on Administrative and Budgetary Questions

Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report on the budget estimates for the United Nations Development Programme for the biennium 2008-2009 (DP/2008/3) and the report on the budget estimates for the biennium 2008-2009 for the United Nations Development Fund for Women (DP/2008/4). During its consideration of these items, the Advisory Committee met with the Associate Administrator of UNDP, as well as the Executive Director, a.i., of UNIFEM, and other representatives, who provided additional information and clarification.

I. UNDP budget estimates for the biennium 2008-2009

A. Format and presentation

2. The Advisory Committee notes the presentation of the estimates and related proposals of the UNDP biennial support budget for 2008-2009 in the harmonized results-based format agreed upon by the United Nations Children's Fund (UNICEF), UNFPA and UNDP, also taking into account the comments and recommendations of the Advisory Committee, communicated in its letter AC/1622 of 4 June 2007, as well as of those of the Executive Board during its annual session of June 2007.

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3. The Committee notes that the new results-based framework for the 2008-2009 biennial support budget is contained in Chapters III, sections C and D, of the report (DP/2008/3). The structure of the budget is organized on the basis of 19 management functions, sixteen of which are harmonized with UNICEF and UNFPA. These include:

Function 1: Executive direction and leadership;
Function 2: Representation and advancement of the core mandate;
Function 3: Corporate policy and strategy development, planning and guidance;
Function 4: Programme guidance, management and oversight;
Function 5: Procurement and supply management;
Function 6: Crisis prevention, recovery and emergency management;
Function 7: External relations and partnerships;
Function 8: Internal and external communication: media and public relations;
Function 9: Resource mobilization;
Function 10: Financial management;
Function 11: Information and communications technology management;
Function 12: General administrative management;
Function 13: Human resources management;
Function 14: Internal audit and investigations;
Function 15: Corporate evaluation; and
Function 16: Staff security.

4. Three functions are specific to UNDP:

Function 17: Support to operational activities of the United Nations system;
Function 18: Support to other programmes and funds (United Nations Volunteers and United Nations Capital Development Fund); and
Function 19: Provision of services to other United Nations entities on a fully reimbursable basis.

5. Within these nineteen functions are the planned management results expected to be achieved during the biennium, which are presented as justification for the proposed allocation. Table 3 of the report (DP/2008/3) presents the proposed estimates for regular resources by function, supporting the results-based framework.

6. **The Committee notes the efforts to implement results-based budgeting in the submission of the UNDP budget estimates for the biennium 2008-2009. However, the Committee is of the opinion that there is room for further improvement, particularly as regards distinct information on link with specific programmes of work or activities, which should allow assessment of the cost effectiveness and degree of achievement of expected results. The Committee further reiterates its previous request that UNFPA, UNDP and UNICEF avail themselves of lessons learned by other United Nations entities that have already implemented results-based techniques.**

7. In its report on the budget estimates for the biennium 2006-2007, the Advisory Committee had welcome the submission of an organizational chart

indicating the number of posts in each unit at headquarters and in the field, as well as the changes proposed, in addition to the provision of information on action taken to reflect implementation of the recommendations made by the Advisory Committee. The organizational chart, however, had been omitted from the Administrator's report (DP/2008/3). The Committee was provided with the information, which is attached as annex 1, below. **The Committee recommends that this information be included in future budget reports.**

8. **The Advisory Committee also emphasizes the importance of timely implementation of the recommendations of the Board of Auditors and recommends that such information be provided by UNDP, as well as UNIFEM, in the context of future budget presentations.** In this connection, the Committee is aware that the Executive Board will consider a report on the implementation status of UNDP, as well as key management measures undertaken in addressing the main recommendations raised by the Board of Auditors in its report (A/61/5/Add. 1) for the biennium ended 31 December 2005 (DP/2008/15) at its first regular session 2008.

9. **Furthermore, in order to ensure greater budgetary transparency, it is important to include in the support budget submission information on major objects of expenditure under post and non-post costs. Within non-post costs, information should be provided on sub-headings (other staff costs, non-staff compensation, consultants and experts, travel of staff, contractual services, general operating expenses, hospitality, supplies and materials, furniture and equipment, grants and contributions), as is being done by the United Nations Secretariat. The Advisory Committee recommends that these changes to the format of budget submissions be considered by the Executive Boards of all funds and programmes.**

10. The Committee recalls that, following Executive Board decisions 2005/5 and 2005/33, the support budget for the United Nations Capital Development Fund (UNCDF) has become an integral part of the UNDP support budget estimates and proposals. The support budget estimates for the United Nations Development Fund for Women are presented separately for consideration (see DP/2008/4 and paragraphs. 36-44 below).

11. The proposed support budget for 2008-2009 is prepared on the basis of the strategic plan, 2008-2011, as amended and augmented by the Executive Board in its decision 2007/32, and prior direction provided. In this context, the Committee notes that the proposed UNDP budget seeks to strengthen:

(a) Internal audit and corporate evaluation functions for more transparent assurance and oversight, and increased effectiveness and accountability for management and development activities;

(b) Support to operational activities of the United Nations system function for a more responsive, enhanced presence in country offices;

(c) The core mandate and programme management, guidance and oversight functions to improve development results at the programme country level in support of achieving the Millennium Development Goals and other internationally agreed-upon development goals; and

(d) Several cross cutting corporate functions, such as human resources and information and communications technology management, to improve accountability, transparency and organizational effectiveness.

12. The Advisory Committee notes that the scope of the biennial support budget presentation is confined to regular budget resources. **The Committee is of the opinion that consideration should be given to presenting a comprehensive support budget, reflecting the support requirements related to all sources of funding, in order to enable thorough intergovernmental analysis and scrutiny.**

B. Financial framework

13. The Committee notes from figure 1 of the report that both regular and other resources continue an upward trend since 1998-1999 (see also DP/2008/3, paragraphs 8-9). Table 1 indicates that regular resources are estimated to increase from $1,900.0 million in 2006-2007 to $2,350.0 million in 2008-2009, while bilateral/multilateral resources are estimated to increase from $4,550.0 million in 2006-2007 to $5,283.4 million for 2008-2009. The Committee also notes that local resources provided by host governments (i.e., Government cost sharing) are expected to decrease from $2,600.0 million in 2006-2007 to $2,466.6 million for 2008-2009. Thus, total overall contributions to UNDP are projected to increase from $9,050.0 million in 2006-2007 to $10,100.0 million for 2008-2009.

14. The Advisory Committee, upon enquiry, was provided with the following overview of UNDP contributions by funding category since 2000-2001:

Funding category	2000-2001	2002-2003	2004-2005	2006-2007 (estimated)	2008-2009 (estimated)
Regular resources (untied contributions)	1 286	1 440	1 763	1 900	2 350
Other resources – bilateral and multilateral donors	1 260	2 064	4 000	4 550	5 283
Other resources (local) – programme country governments	2 001	2 050	2 500	2 600	2 467

(in millions of dollars, in nominal terms)

15. Furthermore, the information on the use of resources contained in table 1 of the report on the UNDP resource plan (DP/2008/2) indicates that, for 2008-2009, the expenditure on programmes is projected at 73.3 per cent of the total regular resources, as compared to 71.1 per cent for 2006-2007; the balance being spent on the support budget (management and development support and assurance and oversight). In the case of bilateral/multilateral resources, the expenditure for 2008-2009 is estimated to be 94.6 per cent on programmes, as compared to 95.1 per cent for 2006-2007. This is in line with the need to ensure more equitable burden sharing of management costs between regular and other resources. **The Committee welcomes the increase in the allocation for programmes in respect of regular resources, as requested in paragraph 11 of its report (DP/2005/32).**

16. The Committee recalls that UNDP introduced the base structure concept for management activities, to be fully funded from regular resources, in the context of the 2004-2005 budget. A gradual approach towards funding management activities above the base structure, through a combination of regular and other resources in the same proportion as the funding composition of the programmes they support, constitutes the proportionality principle. It seeks to avoid subsidization by regular resources of programmes funded through other donor resources. In this connection, the Committee recalls that UNDP shifted management requirements above the base structure in the amount of $11.3 million from regular to other resources during the 2006-2007 biennium. UNDP is now proposing to shift an additional $37.3 million during the 2008-2009 biennium to further advance proportional burden sharing. Figure 3 in the Administrator's report (DP/2008/3) shows the extent to which other resources continue to share total support budget costs, increasing from 19 per cent or $121.4 million in 1998-1999 to 35 per cent or $421.7 million in the 2008-2009 biennium (see also DP/2008/3, paragraph 19). The manner in which the $421.7 million will be allocated across the 19 functions is shown in summary table 3 of the report.

17. In addition, the Committee recalls that the recovery rate of costs for general management services provided by UNDP has been revised on several occasions to support increased proportionality. In this connection, the Executive Board, in its decision 2007/18 of 19 June 2007, established a fixed general management rate of 7 per cent (revising the 5 to 7 per cent range which had been approved in 2004-2005). Table 7 (DP/2008/3) summarizes the cost recovery income estimates by major category. The Committee notes that total cost recovery is expected to increase from $301 million in 2006-2007 to $376 million for 2008-2009.

C. Biennial support budget for 2008-2009

18. As indicated in table 3 of the budget document (DP/2008/3), the proposed support budget for 2008-2009 amounts to $853.6 million gross, reflecting an increase of $124.5 million, compared with support budget estimates for 2006-2007 of $729.1 million. After applying the projected income of $74.9 million to the gross appropriations, the net proposed support budget for 2008-2009 amounts to $778.7 million, reflecting an increase of $120.8 million, as compared to net support budget estimates for 2006-2009 of $657.9 million, based on a projected income of $71.2 million to the support budget for the same period. The main areas of increase/decrease are shown in table 2 and summarized in paragraphs 29-35 of the budget document (DP/2008/3). The Committee notes that the following factors impact the proposed net increase:

(a) Cost increases of $109.8 million or 15.1 per cent, considered non-discretionary, resulting from the following:

(i) the impact of inflation on staff entitlements and operational costs ($59.8 million);

(ii) the impact of the United Nations common system salary entitlement revisions ($19.5 million);

(iii) the impact of currency adjustments ($16.9 million);

(iv) upward operating cost adjustments related to United Nations reimbursements and rental costs ($8.3 million); and

(v) the impact of proposed reclassifications ($5.3 million).

(b) A net volume increase of $14.7 million or 2.0 per cent, resulting from new investments proposed ($65.2 million), partially offset by a number of reductions ($50.5 million). New investments are proposed to strengthen capacity in the following key areas[1]:

(i) country office capacities to deliver development results, through increases of $28 million to representation and advancement of the core mandate (function 2) and programme guidance, management and oversight (function 4);

(ii) assurance and oversight support, through increases of $21.3 million to internal audit and investigation (function 14) and corporate evaluation (function 15);

(iii) support to the operational activities of the United Nations system, through increases of $9.5 million (see function 17); and

(iv) accountability and organizational effectiveness, through increases of $6.4 million to a number of cross cutting functions dealing with financial management, information and communications technology, general administration and human resources (functions 1, 3, 5, 6, 10, 11, 12, 13 and 18).

(c) A total estimated income to the biennial support budget for 2008-2009 of $74.9 million (an increase of $3.7 million in income over the 2006-2007 support budget) due to growth in government contributions to local office costs, tax reimbursements and United Nations Volunteers contributions.

19. As indicated in figure 4 and table 4 of the budget document (DP/2008/3), the total number of proposed posts for 2008-2009 is 3,334 (736 international professional, 614 national professional and 1984 general service and other categories of staff). The proposed number of posts reflects a net increase of 45 posts (an increase of 96 international professional posts, offset by the decrease of 1 national professional and 50 general service posts), as compared with the 3,289 approved posts for 2006-2007 (640 international professional, 615 national professional and 2034 general service and other categories of staff). For 2008-2009, 84.9 per cent of the total number of posts is proposed for country offices, while 15.1 per cent is allocated at the headquarters level.

20. Information on proposed changes on regular budget post requirements and reclassifications is provided in table 4 and summary table 2 (DP/2008/3). In addition, the Advisory Committee was provided with the following overview of post changes:

[1] Offsetting these proposed increases is a volume reduction of $50.5 million, which includes $37.3 million in shifts to extrabudgetary funding, addressing the burden sharing of management costs between regular and extrabudgetary resources (see paragraph 16, above), and $13.2 million in cost reductions attributed to efficiency gains (travel, utility, learning and consultancy costs).

	Total number of posts	Number of posts by category				
		ASG and above	D2	D1	Other international professional	Local positions
A. Approved posts for the biennium 2006-2007 (DP/2005/31)						
Country offices	2,693	-	33	113	245	2,302
Headquarters	370	10	25	40	127	168
Other (includes UNV, IAPSO, DGO, and UNCDF)	226	-	3	8	36	179
Total	3,289	10	61	161	408	2,649
B. Proposed new posts for the biennium 2008-2009						
Country offices	85	-	5	11	43	26
Headquarters	54	-	1	5	33	15
Other (includes UNV, IAPSO, DGO, and UNCDF)	-	-	-	-	-	-
Total	139	-	6	16	76	41
C. Proposed abolished posts for the biennium 2008-2009						
Country offices	(67)	-	-	-	(10)	(57) *
Headquarters	(25)	-	-	(2)	(6)	(17)
Other (includes UNV, IAPSO, DGO, and UNCDF)	(2)	-	-	(1)	-	(1)
Total	(94)	-	-	(3)	(16)	(75)
D. Proposed upward reclassifications for the biennium 2008-2009						
Country offices	-	-	6	4	1	(11)
Headquarters	-	-	-	2	4	(6)
Other (includes UNV, IAPSO, DGO, and UNCDF)	-	-	-	-	-	-
Total	-	-	6	6	5	(17)

IAPSO = Inter-Agency Procurement Services Office
DGO = Development Group Office
UNCDF = United Nations Capital Development Fund

E. Proposed downward reclassifications for the biennium 2008-2009						
Country offices	-	-	-	(5)	5	-
Headquarters	-	-	-	-	-	-
Other (includes UNV, IAPSO, DGO, and UNCDF)	-	-	-	-	-	-
Total	-	-	-	(5)	5	-

F. Total proposed posts for the biennium 2008-2009 (DP/2008/3)						
Country offices	**2,711**	**-**	**44**	**123**	**284**	**2,260**
Headquarters	**399**	**10**	**26**	**45**	**158**	**160**
Other (includes UNV, IAPSO, DGO, and UNCDF)	**224**	**-**	**3**	**7**	**36**	**178**
Total	**3,334**	**10**	**73**	**175**	**478**	**2,598**

** Decrease represents a shift in their funding source from regular to extrabudgetary resources.*

Note on vacancies: *Of the 2006-2007 approved posts, as of December 2007, three D-2, 16 D-1, and 45 other international professional positions are vacant. In arriving at total post costs, an estimated vacancy factor of 3 per cent is incorporated.*

21. The Committee notes the net increases at the D-2 and D-1 levels of 12 and 14 positions, respectively. The increase in the D-2 posts, from a total of 61 in 2006-2007 to a proposed total of 73 for 2008-2009, includes the proposed establishment of six new posts and six reclassifications from the D-1 level. The six new D-2 level posts proposed include five posts at the country level for a deputy regional bureau director for each region to lead the UNDP regional centres, enhance country operational performance and support United Nations regional coordination teams, and one post at headquarters to provide a deputy director post for the Bureau of Management, to further strengthen accountability and effectiveness of organizational initiatives. Six posts are proposed for reclassification to the D-2 level in the country offices for five resident coordinator positions in Bolivia, Guatemala, Haiti, the Russian Federation and Rwanda, and one country director position in Sudan.

22. The increase in the number of D-1 level posts, from a total of 161 in 2006-2007 to 175 proposed for 2008-2009, includes a net increase of 13 posts and a net increase of one reclassification. A total of 11 new D-1 posts are proposed at the country level for 10 country directors (Angola, Cambodia, Chad, Colombia, Guatemala Kenya, Mozambique, Nepal, Pakistan and Rwanda) and for a head of office in southern Sudan to strengthen leadership and operational capacity on the ground. Four new posts are proposed at headquarters for a deputy director in the Office of Audit and Performance Review, a director for the newly established Legal Support Office, an ethics adviser to lead the newly established function and a senior coordinator for policy in the Bureau for Development Policy. As shown in summary table 2,

these additions are offset by two reductions at headquarters. The Committee supports these offsetting reductions.

23. The net one upward reclassification to the D-1 level is the result of the following:

(a) A total of 12 upward reclassifications, of which ten are proposed at the country level for six resident coordinators (Djibouti, Gabon, Moldova, Sao Tome and Principe, Samoa and Swaziland) and four country director positions (Bangladesh, Burkina Faso, Tanzania and Viet Nam); and two are proposed at the headquarters level for the chief of the Investigation Section and the chief of the Security Team;

(b) The downward reclassification of five country director positions (Bangladesh, China, Guatemala, India and Nigeria); and

(c) The downward reclassification of six D-1 positions to the D-2 level (see paragraph 21, above).

24. In this connection, the Committee notes, as indicated in paragraph 50 of the Administrator's report (DP/2008/3), that the reclassifications proposed are driven by the need to further strengthen senior management capacity in line with higher and more complex levels of responsibility, in addition to assessments using the International Civil Service Commission (ICSC) post review classification process that entered into effect on 1 January 2004.

25. **The Advisory Committee recalls its comments on the reclassification of posts of funds and programmes, particularly at the senior level, in paragraph 22 of its report (DP/2005/32). In that context, it indicated the importance of justifying the reclassification of posts at the senior level on the basis of significant changes in the level and scope of responsibilities of those posts. The Committee notes that the establishment of a significant number of UNDP country director positions through the creation of 11 D-1 posts significantly expands the number of countries in which UNDP finances United Nations resident coordinator and UNDP country director posts. The Committee is concerned with these multiple layers of management and also remains concerned at the large number of posts proposed for reclassification. The Committee recommends that these management and staffing arrangements, including their effectiveness and cost, be reviewed. The Committee has pointed out that career prospects and promotion of staff are human resources management issues that cannot be normally handled through the reclassification of posts. The Committee recommends that comprehensive information on the rationale followed in the classification exercise be provided to the Executive Board. Furthermore, reclassifications constitute a recurrent cost to UNDP, with a potential impact on resources available in future.**

26. The Committee notes that other international professional posts are proposed to increase from a total of 408 in 2006-2007 to 478 for 2008-2009. Of the total proposed, 96 posts (20 per cent) are at the P-2/P-3 entry level. The Committee further notes that the increase includes a total of 17 re-classifications (11 from the national officer level in regional audit centres, reflecting the international nature and regional scope of the specialist functions and six from the general service level in the Office of Human

Resources in the Bureau of Management and the Partnerships Bureau) (see DP/2008/3, paragraph 56).

D. Information and communications technology

27. The Advisory Committee requested information as to the resources proposed by UNDP in connection with the Atlas system, disaster recovery/business continuity, and information and communications technology for 2008-2009, as compared to the current (2006-2007) and preceding (2004-2005) bienniums, which is reproduced below:

UNDP regular resources
(in millions of dollars)

	2004-2005	2006-2007 (estimated)	2008-2009 (proposed)
Atlas system [a]	21.9	18.4	14.2
Information and communications technology [b] [c] [d]	11.2	22.4	28.1
Total	**33.1**	**40.7**	**42.3**

a) Includes mandatory technical upgrades, configuration fine-tuning and ongoing production and development support. In addition to the costs reflected above, $12.8 million was spent in the 2002-2003 biennium to support the acquisition of software and associated license and maintenance fees, infrastructure preparedness, prototyping, design, integration and roll-out.

b) Includes technical infrastructure, centrally managed telecommunications support and connectivity, and technical support to legacy systems.

c) Videoconferencing is estimated at about $0.3 million per biennium, covering approximately 400 video conference calls per month.

d) Investments for disaster recovery/business continuity are estimated at $0.4 million for 2006-2007 and $1.0 million for 2008-2009.

28. The Advisory Committee emphasizes the need for UNDP to liaise with the newly appointed United Nations Chief Information Technology Officer, particularly as regards disaster recovery and business continuity.

E. Travel of staff

29. Upon enquiry, the Advisory Committee was provided with information providing an overview of regular resources-funded staff on travel status for more than 20 days in 2007 (see annex 2, below). The Committee was also informed that the regular resources proposed for travel for 2008-2009 amount to $14.5 million, as compared to an appropriated amount of $14.7 million for 2006-2007. The Committee acknowledges the importance of travel for functional reasons but, given the expansion of the field presence and decentralization, the need for staff to travel from headquarters should be much reduced. Moreover, the Committee points out that substantial investments have

been made in information and communications technology (see paragraph 27 above). The Committee is of the view that UNDP should explore the possibility of using video-conferencing and other electronic means of communications where possible. The Committee recommends that travel expenses be closely monitored and reported in the context of the next budget submission, when the Committee will review the issue.

F. Proposed requirements for security costs and implementation of the adoption of International Public Sector Accounting Standards

30. An amount of $31.2 million is indicated for United Nations-mandated security costs, at the same level approved for the 2006-2007 biennium. The Administrator is proposing that this provision continue to be treated as a separate requirement from regular resources, outside the 2008-2009 biennial support budget. The Committee notes, however, that it is estimated that $50.2 million will be required during 2008-2009 to meet United Nations-mandated security costs (see breakdown in paragraph 71 of DP/2008/3). In line with the gradual proportionality strategy, it is estimated that $15 million of the total would be covered by other resources funding and that the remaining balance of $4 million would be covered by applying an expected credit from the Department of Safety and Security resulting from 2006-2007 over-billing.

31. The Advisory Committee recalls that the General Assembly, in its resolution 60/283, has requested the United Nations to adopt International Public Sector Accounting Standards (IPSAS) for its financial statements by 2010. The Administrator is proposing an amount of $9.0 million during 2008-2009 to meet IPSAS compliance costs, which is also proposed to be treated as a separate requirement from regular resources, outside the 2008-2009 biennial support budget. The cost estimates for the biennium 2008-2009 are broken down in paragraph 75 of the report (DP/2008/3).

G. After-Service Health Insurance

32. The Committee requested information on UNDP treatment of liabilities that need to be funded for UNDP staff After-Service Health Insurance (ASHI). The Committee was informed that, as at 31 December 2005, the accrued liability, disclosed as a note to the UNDP financial statements for the biennium 2004-2005, was $406.9 million (an increase of $143.7 million from a previous actuarial estimate of $263.2 million dated 31 December 2003). Another valuation is expected to take place as of 31 December 2007.

33. Since the 2000-2001 biennium, UNDP has made accounting accruals of $54 million per biennium. The cumulative amount accrued, as of 31 December 2005, totals $162 million (shown in the UNDP financial statements as an ASHI reserve). Because of the unique nature of these items, UNDP has accounted for the accruals as part of other expenditure. The accruals are in addition to existing ASHI premium costs, which are included in the biennial support budget.

34. In addition, UNDP has invested the ASHI reserve separately, and the investment is disclosed in the UNDP financial statements. The UNDP unfunded liability as of 31 December 2005, which is the difference between the accrual liability estimate of $406.9 million and the cumulative accrued amount of $162 million, was $244.9 million. The Committee further notes that, effective 2004, UNDP began separate recovery of a portion of the ASHI accrual costs for those posts funded from 'other' resources. As of 31 December 2005 the amount recovered was $7.3 million.

35. The Committee was further informed that UNDP accrued an additional $27 million in 2006, resulting in an unfunded liability as of 31 December 2006 of $217.9 million. In view of the increased unfunded liability estimate emanating from the end 2005 actuarial valuation, UNDP is considering increasing the accrual amount for 2007. IPSAS will require UNDP to account for ASHI expense on a full accrual basis beginning in 2010. The implication is that UNDP would book the full ASHI liability in its accounting records and show it as a liability on the balance sheet. Presently the full liability is disclosed as a note to the financial statements, and the balance sheet shows the portion that is funded. The Committee recommends that UNDP provide detailed information on ASHI-related liabilities in future reports on its biennial support budgets.

II. UNIFEM budget estimates for the biennium 2008-2009

36. The Committee notes that UNIFEM is presenting its biennial support budget for consideration by the Executive Board separately, using the results-based budgeting approach (DP/2008/4). The Committee also notes that the proposed budget uses the 16 harmonized functions agreed upon by UNDP, UNFPA and UNICEF (see paragraph 3 above) and one that is UNIFEM-specific (function 17: Support to the United Nations system in gender equality issues in programme countries). The comments made in paragraphs 6-9 above as regards the results-based presentation also apply to UNIFEM. The basis for the biennial support budget submission is the UNIFEM strategic plan, 2008-2009, the strategic priorities and results of which were endorsed and implementation authorized by the Executive Board in its decision 2007/35.

37. The UNIFEM resources plan is shown in table 1 of the budget report (DP/2008/4). The Committee notes that income projection for 2008-2009, amounts to $159.5 million, comprising contributions of $93.0 million in regular resources, $64.0 million in other resources and $2.5 million in miscellaneous income, compared to an income level of $100.1 million for 2006-2007. Regular resources, as shown in table 1 are projected to increase by 64 per cent compared to 2006-2007, while other resources increase by 53 per cent.

38. The Committee further notes that, for 2008-2009, the expenditure on programmes is projected to be 76 per cent of the total regular resources (as compared to 72.6 per cent in 2006-2007), the biennial support budget accounting for 24 per cent of the total regular resources compared to 27 per cent in 2006-2007. In case of 'other' resources, the expenditure for 2008-2009,

is estimated to be 94 per cent on programmes, as compared to 92 per cent in 2006-2007. The Committee welcomes the improvement in channelling more funds to programmes.

39. The proposed biennial support budget for UNIFEM for 2008-2009 amounts to $23 million, or 25 per cent of its income projection for regular resources for 2008-2009 of $93 million; funding is proposed for 46 posts, compared to 37 in 2006-2007. The budget also reflects an increase of 40.2 per cent compared to the 2006-2007 support budget, which amounts to $16.4 million, or 29 per cent, of the $56.8 million income projected for regular resources. The budget proposed support UNIFEM work, highlighted in its strategic plan, on the following thematic areas:

(a) enhancement of women's economic security and rights

(b) a reduction in the prevalence of violence against women and HIV/AIDS; and

(c) advancement of gender justice in democratic governance.

40. The regular and other resources support budget reflects a $7.0 million increase in cost and volume over the 2006-2007 budget. Cost increases of $1.8 million are related to mandatory International Civil Service Commission salary scale and post adjustment increases, rate increases in rent and operating costs, and the impact of inflation. Volume increases of $5.2 million are directly related to the managerial priorities in the UNIFEM strategic plan in support of:

(a) Stronger UNIFEM participation in United Nations regional centres in three countries to ensure gender equality and women's empowerment are mainstreamed in the technical expertise provided ($1.8 million) (see paragraph 42, below);

(b) Strengthening of policy, technical, oversight, evaluation and operational support ($2.5 million); and

Reclassification of existing positions ($0.2 million) (see paragraph 43, below).

41. Table 3 further provides a comparison of the budget proposal across the 17 results-based functions, aligning the increases with the commitments in the strategic plan (external relations, internal/external communications, financial management, internal audit, corporate evaluation and support to the United Nations system).

42. The Committee notes that regular resources are proposed to cover 46 positions, compared to 37 positions approved for 2006-2007. The nine new positions include:

(a) Three D-1 level positions for institutionalizing regional programme directors in three regional centres (DP/2008, paragraph 21). The Committee was informed the three posts would be based in the sub-regional offices in Senegal, South Africa and Thailand, requiring high level and strategic competencies and technical expertise, to ensure quality assurance, oversight and coordination in the subregional hubs.

(b) Six new positions at the headquarters level: two at the P-5 level (one to oversee operational functions, including financial and budget

resources, procurement and information technology services; the other to secure attention and follow-up and to advise on strategic planning, results based management and interface with United Nations organizations through the United Nations Development Group) (ibid., paragraphs 18 and 19), two at the P-3 level (one to report to donors n support of resource mobilization and fundraising; the other to provide capacity for formulating, implementing and assessing advocacy strategies) (ibid., paragraph 20), and two at the General Service level, to provide programme support services and financial, procurement and supply management support (ibid., paragraphs 18 and 19).

43. In addition, the following 5 reclassifications (the cost of which, as indicated above, amounts to $181,600) are proposed:

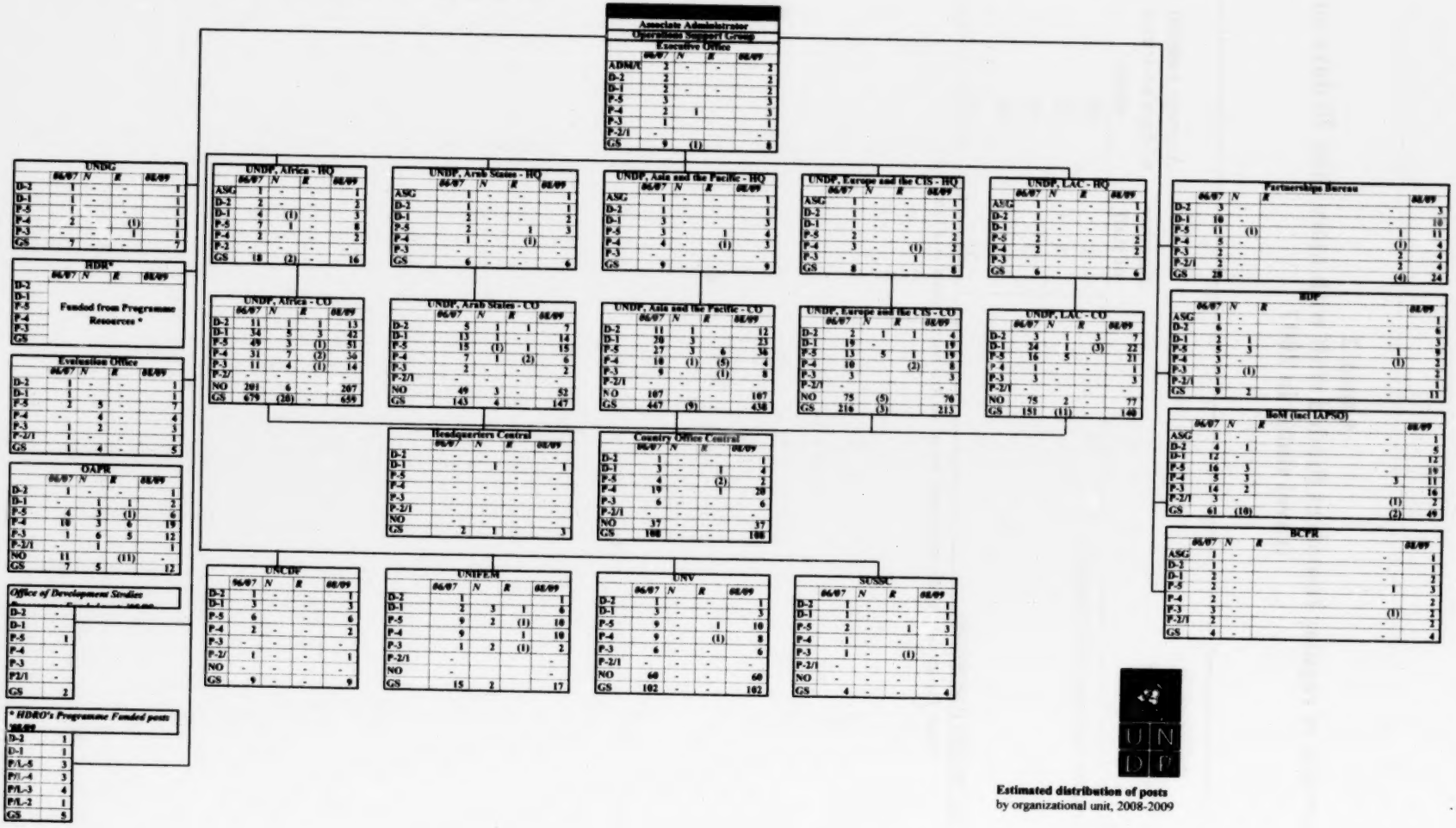
(a) One P-5 to D-1 for a business development adviser to head the newly restructured and strengthened Outreach and Business Development Section in response to organizational needs in business development, resources mobilization, media and communications (DP/2008/4, paragraph 20);

(b) One P-3 to P-4 for a budget specialist and one G-6 to G-7 for a systems and business associate to strengthen capacity in operations (ibid., paragraph 19); and

(c) Two G-5 to G-6 to provide programme support services and additional capacity in the Outreach and Business Development Section (ibid., paragraphs 18 and 20).

44. The Advisory Committee recommends approval of the regular resources proposed for UNIFEM biennial support budget, 2008-2009.

Annex I
United Nations Development Programme
Organizational structure and Proposed changes in Regular Resource Post Requirements for the biennium 2008/2009



Estimated distribution of posts
by organizational unit, 2008-2009

Annex 2
Overview of regular resources funded staff with more than 20 days on travel status in 2007

Grade	Number of staff	Average number of days on travel status
Administrator/Associate Administrator	2	89
ASG	8	92
D-2	13	50
D-1	20	48
Other international professionals	33	44

Note: The above excludes entitlement travel, such as reassignment and home leave.